

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECURITY INFORMATION

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1. The Ministry of the River Fleet's Commercial Section (Kommercheskiy Otdel) was subordinate to the Minister of the River Fleet through his deputy minister for general administration. The main function of this section was the preparation and periodical revision of MRF tariff charts. There were about 15 volumes of these charts which prescribed the tariffs for every possible type of freight on the various MRF river routes.
2. Approximately 15-20 employees worked in the Commercial Section. Personnel in leading positions in this section, and in its field agencies, were usually former chiefs of the exploitation sections of large steamship companies who not only were experts in the field of exploitation, but were also familiar with legal procedures. A number of expert economists, also in the section, were responsible for checking incoming final invoices, and for the preparation of these and graphic charts which illustrated each MRF steamship company's type and volume of business. Of no less importance were the section's tariff experts, who determined the transport fees for various types of goods. In the Commercial Section's field agencies, however, there were tariff "checkers" (taksirovshchiki) who, following the determined tariff regulations, set the tariff fees for the transport of individual cargoes. The decisions of these "checkers" were subject to the approval of each field agency's resident tariff expert.

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SECRET/SECURITY INFORMATION

-2-

25X1

3. The Commercial Section of MRF also prepared the standard type of transport contracts which were used with MRF clients. twc25X1
such contracts, the collective contract (General'nyy), and the local contract (Lokal'nyy). The first type of contract was normally used between MRF and a group of clients, e.g., agencies of the Railroad Administration, the Chief Directorate of Oil Distribution (GlavNefteSbyt), the Ministry of Agriculture, etc., for the transport of goods on behalf of these agencies. The MRF annual transport plan, which contained specifications for the goods to be transported during the navigational year, was used as the basis for this type of contract. Collective contracts only guaranteed MRF funds to effect the transport, and specified the responsibilities of both partners to the contract.
4. The second type of MRF contract, the local contract, was concluded between individual steamship companies and clients. This type of contract was prepared on the basis of existing collective contracts, tariff charts, and the pertinent regulations of the involved ministries. Local contracts were required to contain the following specifications:
 - a. Amount and types of cargoes, routes and destinations, and cost of transport;
 - b. Responsibilities of partners in case of theft, loss, or spoilage;
 - c. Charges for the use of loading and unloading facilities, cleaning of holds, etc.;
 - d. Responsibilities of partners for demurrages;
 - e. Delivery terms;
 - f. Method of payment;
 - g. Specifications as to arbiters in case of disagreement;
 - h. Specifications for fines and bonuses. The latter were normally provided for transport effected prior to the deadline;
 - i. Specifications as to possible occurrences which would justify a revision, or even cancellation, of the contract.
5. The Commercial Section had field agencies in all river steamship companies and river ports. It was the responsibility of these agencies to draw up contracts between steamship companies and their clients. The commercial sections were directly subordinate to their respective companies or ports through the field agency's special deputies for exploitation. These local commercial sections were thus only indirectly dependent on the headquarters of the Commercial Section. Because the commercial sections were the main source of income for the steamship companies and ports, their work was extremely important.
6. Payments for transported foods were made, on the basis of certified invoices, when the goods were accepted by either the consignee or by a shore transport agency authorized by the latter to receive goods in his behalf. Almost all payments were effected through a simple transfer of accounts in the State bank. Payment was required within 72 hours after delivery of the goods; delays in payment resulted in fines.
7. Another important task of MRF's Commercial Section was the drafting of various types of standard lease contracts. These contracts were used in the lend-leasing of vessels between steamship companies, or between a steamship company and a State agency in need of transport vessels for a certain period of time.

SECRET

SECRET/SECURITY INFORMATION

-3-

8. It was also the responsibility of the Commercial Section to issue regulations pertaining to the handling of various cargoes, i.e., the loading and unloading procedures, packing and unpacking of goods, their storage and safekeeping, as well as the regulation procedures for documentation which was effected at the cargo terminal.
9. The Commercial Section devoted considerable activity to the settlement of claims. In these procedures the Section appeared either as claimant or defendant. When the claims involved inter-ministerial cases, the following arbiters were used:
 - a. State Arbiter Commissions. These were state agencies whose main function was to determine a solution of conflicting claims which was agreeable to both parties. Practically, however, decisions of this court were seldom adhered to by both parties, so that the case would have to be taken to the next higher court;
 - b. Oblast Courts. Decisions of this court, if identical with the judgment delivered by the State Arbiter Commission, were final;
 - c. Supreme Republic Courts. These courts accepted only cases from the Oblast Courts;
 - d. Supreme Court of USSR. This was the higher arbiter.

The last two institutions considered legally complicated cases or those which involved large sums of money, as well as those cases in which the lower courts had disagreed. MRF inner-office claims were settled by the MRF Senior Arbiter.

10. In all these legal procedures the claimant was required to file his claim with the MRF Senior Arbiter or State Arbiter Commissions within six months after the damage had been discovered.

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